

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
APRIL 20, 2015**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, April 20, 2015.

The meeting was called to order by Chairman Rick Stradtner.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Rick Stradtner – Chairman
Doug Schulte – Vice Chairman
Roger Seng – Secretary
Alex Emmons – Wastewater Commissioner
Wayne Schuetter – Electric Commissioner
Dave Hurst – Water Commissioner
Keith Masterson – Gas Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Ernie Hinkle – Gas & Water Manager
Ed Hollinden – Wastewater Manager
Bud Hauersperger – General Manager
Ashley Kiefer – Office Manager
Renee Kabrick – City Attorney

PLEDGE OF ALLEGIANCE (DVD-00:41)

Chairman Rick Stradtner led the Pledge of Allegiance.

QUOTE OPENING: UTILITY ATV – ELECTRIC DISTRIBUTION - (TRADE-IN ASSET #05PO004178) (DVD-01:04)

Bud Hauersperger opened the quotes and read them aloud as follows:

- | | | |
|--------------------------------------|---------|---|
| 1. Hopf Outdoor Power
Jasper, IN | Kubota | \$14,441.48 (no trade-in listed) |
| 2. Hopf Equipment
Huntingburg, IN | Bobcat | \$17,350.00
- 2,100.00 (trade-in)
\$15,250.00 |
| 3. Hopf Outdoor Power
Jasper, IN | Polaris | \$16,076.95
- 2,500.00 (trade-in)
\$13,576.95 |

4. Hopf Outdoor Power Jasper, IN	Kubota	\$14,441.48 - 2,500.00 (trade-in) \$11,941.48
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All quotes included a Non-Collusion affidavit, an Indiana Legal Employment Declaration, a Nepotism Policy Affirmation and an Affidavit Regarding Non-responsibility.

Jerry Schitter asked for the Board's permission to take the quotes under advisement and report back at next month's Utility Service Board meeting with a recommendation.

Alex Emmons made a motion to give Schitter permission to take the quotes under advisement. Keith Masterson seconded the motion. Motion approved, 7-0.

APPROVAL OF MINUTES (DVD-08:38)

Chairman Rick Stradtner presented the minutes of the March 16, 2015 Regular Meeting and there being no corrections or amendments, asked for a motion to approve the minutes. Doug Schulte made a motion to approve the minutes of the meeting as presented. Wayne Schuetter seconded the motion. Motion approved, 7-0.

PERMISSION TO HIRE SUBSTATION TECHNICIAN (DVD-09:07)

Jerry Schitter informed the Board that his newest Substation Technician was resigning as of May 1, 2015. Schitter asked for the Board's permission to begin the hiring process to replace this technician.

Wayne Schuetter made a motion to give Schitter permission to begin the hiring process to replace the Substation Technician at the Electric Distribution department. Keith Masterson seconded the motion. Motion approved, 7-0.

RECOMMENDATION TO PURCHASE LOCATOR AFTER REVIEW OF QUOTES (DVD-10:10)

Schitter informed the Board that he reviewed the quotes for the locator after last month's meeting. The low bid of \$7,375 from Subsurface Solutions did not meet all specifications. They do not offer free training, out of state; it is an additional \$1,000 per training session. They also do not provide a free loaner when the unit is being calibrated; it is an additional \$50 per day with a two week repair time.

The second low bidder was C & S Solutions with a bid of \$7,995.85. The bid is \$620.85 higher than the low bidder, but Schitter stated that the savings is much greater in the long run. They do provide free annual training and free loaner coverage. Schitter asked for the Board's permission to purchase the locator from C & S Solutions for \$7,995.85. Wayne Schuetter stated the 2015 Capital Expenditure amount for the locator was \$8,000, therefore the purchase is still within the budgeted amount.

Alex Emmons made a motion to give Schitter permission to purchase the locator from C & S Solutions for \$7,995.85. Wayne Schuetter seconded the motion. Motion approved, 7-0.

RECOMMENDATION TO PURCHASE MANAGER SUV AFTER REVIEW OF QUOTES - (TRADE IN ASSET #05TR003283) (DVD-13:11)

Schitter stated that last month quotes were also opened to purchase a SUV for the Electric Distribution manager. This SUV is also used by other utility personnel for transportation to meetings. Schitter stated that the lowest quotes did not meet various specifications. The two lowest quotes did not have navigation systems. The Jeeps that were quoted did not meet the specifications for the wheel base. This specification was intended to get a midsize SUV, allowing for more head and leg room than a small SUV.

Schitter stated that the GMC Terrain is the lowest quote in the amount of \$19,957, which meets all specifications. The Terrain also comes standard with a rear vision camera, Bluetooth for hands free phone usage, aluminum wheels, and a power driver seat. Schitter asked for the Board's permission to purchase the GMC Terrain for \$19,957 from Bob Luegers Motors, along with a trade in of asset #05TR003283.

Wayne Schuetter made a motion to give Schitter permission to purchase the GMC Terrain from Bob Luegers Motors for \$19,957 and to trade in asset #05TR003283. Roger Seng seconded the motion. Motion approved, 7-0.

AUCTION ITEMS (DVD-19:41)

Schitter asked for the Board's permission to deem the list of attached auction items as surplus for the Electric Department. Doug Schulte made a motion to deem the list of attached auction items for the Electric Department as surplus. Dave Hurst seconded the motion. Motion approved, 7-0.

ELECTRIC PLANNING COMMITTEE REPORT (DVD-20:47)

Wayne Schuetter, Chairman of the Electric Planning Committee, stated the committee did not meet during the past month.

UPDATE ON UV PROJECT (DVD-20:53)

Derick Wiggins, with Midwestern Engineers, updated the Board regarding the UV project. Wiggins stated that weir and concrete boxes have been poured. Also site piping work has begun; a 20" water line has been installed from the existing filter building to the new building. This week block laying will begin, as well as, forming of the top weir box. Wiggins stated that they are a few days behind schedule, but should catch up with good weather and working some Saturdays.

APPROVAL TO DEEM ITEMS SURPLUS FOR AUCTION OR SCRAP (DVD-23:06)

Ernie Hinkle asked for the Board's permission to deem the attached list of items as surplus. The first four items on Hinkle's list will be sold at the City auction. The two line items for Electronic Reading Transmitters (ERT's) will be scrapped; they are obsolete.

Dave Hurst made a motion to deem the attached list of items as surplus or declared as junk for the Gas and Water department. Keith Masterson seconded the motion. Motion approved, 7-0.

GAS PLANNING COMMITTEE REPORT (DVD-25:38)

Keith Masterson, Chairman of the Gas Planning Committee, stated the committee did not meet during the past month.

WATER PLANNING COMMITTEE REPORT (DVD-25:45)

Dave Hurst, Chairman of the Water Planning Committee, stated the committee did meet on April 8, 2015. Dave reported from the minutes that at the meeting the Committee reviewed the revised results of the Water Rate Study by HJ Umbaugh. Hayersperger reminded the Committee that after the initial review of the Water Rate Study the Committee asked Umbaugh to go back and make some modifications to the rate study that would hopefully lower the proposed rate increase.

He reported that one change made to the study was the assumption that the Water Utility would only pay half of the \$350,000 estimated cost (or \$175,000) of the Beaver Dam spillway modification project, if the project is indeed done. The other half of the project cost would have to come from funding from the Park Department, lot owners, or others.

He also reported that another change made to the study was an allowance for repayment of a loan in the amount of \$1.45 million from the Electric Distribution Department for the UV project to be amortized over 10 years, instead of 5 years. (This is a federal mandated, unfunded project.) The change also provided an allowance for repayment of a loan for the Beaver Creek Lake Dam improvement project and the 3rd Avenue Main replacement project over 7 more years, instead of 2 more years. (Repayment has already started on this loan.)

Mr. Hurst reported that these changes brought the proposed rate increase down to an across-the-board 17%. This 17% proposed increase would raise the average residential customer's monthly bill by \$6.07, from \$35.56 to \$41.63. The last rate increase was done 5 years ago. There was a rate study done in 2012, but no rate increase was recommended at that time. This increase puts Jasper in the top half among other water utilities in our area; however some other communities have rate increases on the horizon or will be forced to follow the UV federal mandates as well.

He reported that the Committee discussed large projects on the horizon that could affect this decision, including US 231. The Committee then asked Deen Rogers from Umbaugh what percentage each project equated to in the rate increase. Rogers responded that 4.5% of the 17% increase comes from both the original Beaver Dam modifications and the possible new Beaver Spillway modifications. The UV project accounts for another 5.1%, and the remaining 7.4% comes from normal operating expenses, and lost revenue, which started dropping in 2008 during the recession.

Mr. Hurst reported that after much discussion the Committee agreed to recommend the 17% across-the-board water rate increase to the Utility Service Board. If the rate increase is approved by the USB and Common Council, it would affect utility bills generated in July 2015, which would be due for payment on August 10, 2015.

The Committee also discussed the Wage Determination Lawsuit Update. Renee Kabrick said that the City has been sued by the Labor Federation to enjoin the City from using the wage scale adopted at a January Wage Determination Hearing for various City projects, which included the

possible Beaver Dam spillway modification project. The City proactively held another Wage Determination Hearing in March, and adopted the same wage scale. As a result, the Union has not dropped the lawsuit. A pretrial conference has been scheduled for April 14th. There is also new legislation at the State House to completely repeal the common wage law, which has already passed a Senate hearing. Kabrick said the USB will have to decide what to do with the public works projects in the works, after the pretrial conference on the lawsuit and the progress made on the legislation to repeal the common wage law. That ended Mr. Hurst's committee report.

The Board discussed the situation regarding the new Beaver Spillway project accounting for 2% of the 4.5%. There is no decision made on this project at this time, but the 2% will help with other large projects like the upcoming Newton Street project and possibly the downtown renovation project, if the City does not proceed with the Beaver Spillway modifications. The Committee doesn't want to play catch up down the road if the 2% is not calculated into the increase at this time.

Chairman Stradtner also stated that the water rate increase has nothing to do with the Biomass litigation. The Biomass litigation fees come directly from the Electric Department funds; it has nothing to do with the Water rate increase.

Bud Hauersperger stated that the bonds will actually be paid off in 5 years verses 7 years due to balances kept in bond funds. This will make the bond paid off in 2020, freeing up some money at that time to help with the upcoming larger projects if needed. Hauersperger also stated that water rate studies will be performed every two or three years from now on.

Attorney Kabrick presented Resolution USB 2015-3, to the Board, recommending a schedule of revised rates and charges for the sale of the water by the Jasper Municipal Water Utility.

Dave Hurst made a motion to approve Resolution USB 2015-3. Keith Masterson seconded the motion.

Wayne Schuetter asked if the repealed Common Wage Law will affect the Beaver Lake bid packets. Attorney Kabrick stated that the new law does not go into effect until July 1, 2015. Any project let before that date will not be impacted by the law. Kabrick also stated that the pre-trial conference was held on April 14, 2015. The plaintiff counsel was given two weeks to decide what they want to do. They can dismiss the lawsuit all together, dismiss the lawsuit and file another lawsuit based on the new wage rate determined by the panel (the ABC rate), or they can try to amend the originally filed lawsuit. Attorney Kabrick stated there should be answers in about ten days. Kabrick also said that if the City waits until after July 1st to let the project, the lawsuit and Common Wage law would be a moot point.

Chairman Stradtner asked that the City "internally" look over the expenses and operations of the Water Department, to ensure the City is using strategies to keep water rates as low as possible. Wayne Schuetter stated that the new water rate increase is across-the-board.

Motion approved, 7-0.

WASTEWATER PLANNING COMMITTEE REPORT (DVD-45:22)

Alex Emmons, Chairman of the Wastewater Planning Committee, stated the committee did not meet during the past month.

SERVER ISSUES/ REPLACEMENT NEEDED SOON (DVD-45:28)

Ashley Kiefer informed the Board that a new server for the Utility Business Office is greatly needed. This past week the utility office had some issues with the server during their monthly billing process. The server is on the Capital Expenditure plan to replace this year, along with several other IT purchases. Kiefer stated that the server was not a big priority compared to some of the other items, but since the issues last week she feels it needs to take precedence. The amount of memory left on the server, compared to the amount of memory our software takes during billing is causing major problems.

Kiefer spoke to our IT consultant, Brian Scott, and he should have the RFP's for the server ready to send out next week and be ready to open them at the May Utility Service Board meeting. Scott said it should take approximately 30 days to get the server ordered and installed.

INCREASE WASTEWATER MONTHLY FUND TRANSFER FROM 50% TO 100% OF MONTHLY DEPRECIATION EXPENSE (DVD-47:35)

Hauersperger asked for the Board's permission to transfer 100% of the Wastewater's monthly Depreciation expense from the Operating and Maintenance fund to the Depreciation fund each month, versus the 50% that is transferred at this time. HJ Umbaugh suggested this change during the last Wastewater rate study. At this time, all other utility departments transfer 100% of their monthly depreciation expense from their respective Operating and Maintenance fund to their Depreciation fund.

Wayne Schuetter made a motion to approve increasing the monthly fund transfer from the Operating and Maintenance fund to the Depreciation fund from 50% of the monthly Depreciation expense to 100%. Roger Seng seconded the motion. Motion approved, 7-0.

PHONE & FIBER PROJECTS UPDATE (DVD-50:22)

Hauersperger informed the Board that 95% of the fiber is installed for the Municipal buildings in the City. The only department left is Gas and Water; it will take a couple of weeks before the fiber will be installed at their location.

Hauersperger stated that the RFP's for the phone system were sent out. A walk-thru with potential vendors was performed. Bids will be opened April 28, 2015 at a Public Works meeting. Hauersperger stated that he hopes to have it awarded by May 19th and the installation completed by July 19, 2015, for City Hall.

FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET (DVD-51:59)

Roger Seng reported that the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Alex Emmons made a motion to approve the claims as presented. Keith Masterson seconded the motion. Motion approved, 7-0.

There being no further business to come before the Board, the meeting was adjourned at 7:53PM upon motion by Alex Emmons and seconded by Wayne Schuetter. Motion approved, 7-0.

The minutes were hereby approved _____ with X without corrections this _____ day of _____, 2015.

Attest: _____
Secretary

_____ Chairman